

Grantee: Contra Costa County, CA

Grant: B-08-UN-06-0002

January 1, 2010 thru March 31, 2010 Performance Report

Grant Number:

B-08-UN-06-0002

Obligation Date:**Grantee Name:**

Contra Costa County, CA

Award Date:**Grant Amount:**

\$6,019,051.00

Contract End Date:**Grant Status:**

Active

Review by HUD:

Submitted - Await for Review

QPR Contact:

No QPR Contact Found

Disasters:

Declaration Number

NSP

Plan Description:

The County has analyzed the three HERA required criteria for the distribution of NSP funds. These include those areas with the greatest percentage of home foreclosures, with the highest percentage of homes financed by a subprime mortgage related loan, and identified as likely to face a significant rise in the rate of home foreclosures. (See attachments A through D.). Each factor was applied to all cities and communities in the Urban County and divided into low impact, medium impact, or high impact. 1. HUDs estimated risk factor this data was compiled by the U.S. Department of Housing and Development at the CDBG block group level. Low: 1-4 Medium: 5-7 High: 8-10 2. Subprime Lending According to HUD and the Federal Reserve Bank of San Francisco, 2005 had the highest number of subprime loans issued. Data from the Home Mortgage Disclosure Act (HMDA) was used to determine the percentage of loans issued by subprime lenders by census tracts. Data from both purchase loans and refinanced mortgages were analyzed. Low: less than 20 percent Medium: between 20 35 percent High: More than 35 percent 3. Foreclosures The 2008 data was provided by DataQuick for quarters one through three at the zip code level. The levels for high, medium, and low were determined by using standard deviation. Low: less than 35 foreclosures per 1,000 homes (less than 0.5 standard deviations) Medium: Between 35 and 50 foreclosures per 1,000 homes (0.5 to 1 standard deviations) High: More than 50 foreclosures per 1,000 homes (more than 1 standard deviation Given each of these datasets were provided at different geographic areas, staff needed a method to overlay all the information and determine which parts of the County were most impacted by the housing crisis. Using the ESRI Spatial Analysis tool, a suitability study was conducted to determine which areas were most appropriate for program funds. Each dataset was weighted equally and output layer allowed staff to differentiate between areas. If an area had two or more high values, it was designated as a High Priority area. If an area had one high and two medium values, it was designated a Medium Priority area. Any area with at least one low value was ineligible for program funds. Based on this analysis, the following communities have the greatest need and are the High Priority Areas: Bay Point, Oakley, Montalvin Manor/Tara Hills/Bayview, Rollingwood, North Richmond, Rodeo and San Pablo. Brentwood, Discovery Bay, and the western area of Pinole (Nob Hill, Pinole Shores, and Pinon) are also suffering from foreclosures and are the Medium Priority Areas. The remaining cities and communities are Low Priority Areas. All programs listed in Section G will be available in the High Priority Areas. Some, but not all of the programs will be available in the Medium Priority Areas. NSP funded programs will not be available in the Low Priority Areas.

Recovery Needs:

ACQUISITIONS & RELOCATION

NSP funds will be used primarily to acquire and rehabilitate foreclosed properties. Some funds may be used to provide downpayment assistance or silent second shared appreciation loans to eligible households for the direct purchase of foreclosed homes. The programs will be limited to vacant homes. Demolition and conversion of blighted structures is not a Contra Costa priority for NSP funds. However, during program implementation, the County may become aware of structures that should be immediately demolished. In that case, the County will make every effort to work with a non-profit developer to build a new home to be sold to a low, moderate, or middle income household.

The County will likely contract with one or more agencies or individuals to implement the NSP program. The County will strive to coordinate activities with the Economic Development Board and local job training programs.

LOW INCOME TARGETING

\$1,504,763 in NSP funds will be used to purchase and redevelop abandoned or foreclosed upon homes or residential properties for housing individuals or families with low incomes. Programs to accomplish this goal may include self-help homeownership housing and/or rental housing.

Overall	This Report Period	To Date
Total Projected Budget from All Sources	N/A	\$5,656,668.00
Total CDBG Program Funds Budgeted	N/A	\$5,406,668.00
Program Funds Drawdown	\$961,731.15	\$1,618,618.21
Obligated CDBG DR Funds	\$1,584,142.00	\$3,638,905.00
Expended CDBG DR Funds	\$0.00	\$104,216.56
Match Contributed	\$0.00	\$0.00
Program Income Received	\$127,066.63	\$127,066.63
Program Income Drawdown	\$127,066.63	\$127,066.63

Progress Toward Required Numeric Targets

Requirement	Required	To Date
Minimum Overall Benefit Percentage	99.99%	13.043%
Minimum Non-Federal Match	\$0.00	\$0.00
Limit on Public Services	\$902,857.65	\$0.00
Limit on Admin/Planning	\$601,905.10	\$0.00
Limit on State Admin	\$0.00	\$0.00

Progress Toward Activity Type Targets

Progress Toward National Objective Targets

Overall Progress Narrative:

NSP developers acquired 6 and completed the rehabilitation of 3 homes in the last quarter. Three homes were listed for sale. However, we have not been able to find a mortgage lender that will accept the FHA anti-flip waiver. Therefore, two homes were pulled off the market and will be relisted 91 days after they were purchased. This leaves the homes vulnerable to vandalism after the rehabilitation is complete. It also slows the repayment of NSP funds to the program which slows down the purchase of additional units. (The third house remains on the market. It is in a more challenging neighborhood and it will likely be more than 90 days from the original purchase before a buyer is found.)

Project Summary

Project #, Project Title	This Report Period	To Date	
	Program Funds Drawdown	Project Funds Budgeted	Program Funds Drawdown
1, Revolving Fund for Purchase and Rehabilitation	\$794,017.54	\$3,412,383.00	\$1,050,025.45
2, Revolving Fund for Purchase and Self Help Rehab	\$129,584.24	\$1,504,763.00	\$399,461.09
3, Downpayment Assistance/Shared Appreciation Loans	\$0.00	\$500,000.00	\$0.00
7, NSP Program Planning and Administration	\$38,129.37	\$601,905.00	\$169,131.67
9999, Restricted Balance	\$0.00	\$0.00	\$0.00
BCKT, Bucket Project	\$0.00	\$0.00	\$0.00

Activities

Grantee Activity Number: 7

Activity Title: Program Planning and Administration

Activity Category:

Administration

Project Number:

7

Projected Start Date:

10/01/2008

National Objective:

N/A

Activity Status:

Under Way

Project Title:

NSP Program Planning and Administration

Projected End Date:

06/28/2013

Responsible Organization:

Contra Costa County Department of Conservation and

Overall

Jan 1 thru Mar 31, 2010

To Date

Total Projected Budget from All Sources

N/A

\$601,905.00

Total CDBG Program Funds Budgeted

N/A

\$601,905.00

Program Funds Drawdown

\$38,129.37

\$169,131.67

Obligated CDBG DR Funds

\$451,905.00

\$601,905.00

Expended CDBG DR Funds

\$0.00

\$0.00

Match Contributed

\$0.00

\$0.00

Program Income Received

\$0.00

\$0.00

Program Income Drawdown

\$12,706.66

\$12,706.66

Activity Description:

Planning and administrative work will include all tasks associated with the development and publication of the NSP Substantial Amendment. Activity development and related legal documents will also be covered by the planning and administration budget. Staff will make every effort to limit planning and administrative costs so that additional funds can be used for program implementation.

Location Description:

Medium and High Priority Areas

Activity Progress Narrative:

Performance Measures

No Performance Measures found.

Activity Locations

No Activity Locations found.

Other Funding Sources Budgeted - Detail

No Other Match Funding Sources Found

Other Funding Sources

Amount

Total Other Funding Sources

\$0.00

Neighborhood Stabilization Program	\$0.00
Total Other Funding Sources	\$0.00

Grantee Activity Number:	Habitat for Humanity East Bay
Activity Title:	Revolving Fund for Purchase & Self Help Rehab

Activity Category:
Rehabilitation/reconstruction of residential structures

Activity Status:
Under Way

Project Number:
2

Project Title:
Revolving Fund for Purchase and Self Help Rehab

Projected Start Date:
04/01/2009

Projected End Date:
06/28/2013

National Objective:
NSP Only - LH - 25% Set-Aside

Responsible Organization:
Habitat for Humanity East Bay

Overall	Jan 1 thru Mar 31, 2010	To Date
Total Projected Budget from All Sources	N/A	\$1,504,763.00
Total CDBG Program Funds Budgeted	N/A	\$1,504,763.00
Program Funds Drawdown	\$129,584.24	\$399,461.09
Obligated CDBG DR Funds	(\$374,763.00)	\$1,130,000.00
Expended CDBG DR Funds	\$0.00	\$0.00
Habitat for Humanity East Bay	\$0.00	\$0.00
Habitat for Humanity East Bay	\$0.00	\$0.00
Match Contributed	\$0.00	\$0.00
Program Income Received	\$0.00	\$0.00
Program Income Drawdown	\$96,715.00	\$96,715.00

Activity Description:

This activity is intended to meet the low income housing requirement. The County is contracting with Habitat for Humanity East Bay (Habitat) to carry out this activity. NSP funds will be loaned to Habitat to purchase abandoned and vacant foreclosed homes. Habitat will select homebuyers who will assist in the rehabilitation of their future home. The selection process includes extensive outreach and marketing in the community. Marketing materials are translated into Spanish and other languages. Materials are provided to community organizations and churches. The non-profit screens the applicants for income eligibility and ability to pay the mortgage. They strive to work with families with the greatest need for decent housing. The work done by the future owner not only provides a sweat equity stake in the home, but also teaches the homebuyer valuable home maintenance skills. Habitat will be the mortgage lender and will structure the loan to be affordable to the specific household. The typical structure provides a 30 year, zero interest, amortizing loan with a forgivable appreciation share provision. NSP funds will leverage volunteer labor, foundation grants, and donations of materials. Unless private sources of funds can be identified to supplement NSP funds, the full cost of the acquisition and rehabilitation will be funded with NSP. In this case, the loans will transfer to the homeowner as amortizing loans with interest rates set so that the mortgage payments are affordable to the buyer. (i.e. to keep housing costs equal to or less than 30% of the owner's income.) This approach is based on a model used in the Habitat for Humanity program and modified to comply with the NSP program income requirements. The homes will be sold for an amount equal to or less than the total amount of funds used to acquire and rehabilitate the home. Homebuyers will be required to sign a 20 to 30 year resale restriction with Habitat. The County will have a right of first refusal to purchase the home should the non-profit entity not be in a position to exercise its right in a future transaction. If redevelopment housing set-aside funds are used to supplement NSP funds, the buyer will be required to enter into a 45 year resale restriction. All properties will be purchased at a minimum of one percent less than the appraised value. Appraisals shall be consistent with the appraisal requirements of the Uniform Relocation Act.

Location Description:

High Priority Areas (Bay Point)

Activity Progress Narrative:

Habitat purchased 2 homes in the last quarter. It is rehabilitating 5 homes.

Habitat is in the process of certifying low income families to assist in the rehabilitation and purchase of all 5 homes.

Performance Measures

	This Report Period			Cumulative Actual Total / Expected		
	Low	Mod	Total	Low	Mod	Total
# of Properties	0	0	0	0/0	0/0	3/8
# of housing units	0	0	2	0/0	0/0	5/8
# of Households benefitting	0	0	0	3/8	0/0	3/8

Activity Locations

Address	City	State	Zip
453 Pamela Drive	Bay Point	NA	94565
49 Surf View Drive	Bay Point	NA	94565

Other Funding Sources Budgeted - Detail

No Other Match Funding Sources Found

Other Funding Sources	Amount
Neighborhood Stabilization Program	\$0.00
Total Other Funding Sources	\$0.00

Grantee Activity Number: HHC

Activity Title: Heart and Hands of Compassion

Activity Category:

Rehabilitation/reconstruction of residential structures

Activity Status:

Under Way

Project Number:

1

Project Title:

Revolving Fund for Purchase and Rehabilitation

Projected Start Date:

07/01/2009

Projected End Date:

06/30/2013

National Objective:

NSP Only - LMMI

Responsible Organization:

Heart and Hands of Compassion

Overall	Jan 1 thru Mar 31, 2010	To Date
Total Projected Budget from All Sources	N/A	\$1,500,000.00
Total CDBG Program Funds Budgeted	N/A	\$1,500,000.00
Program Funds Drawdown	\$492,672.80	\$666,350.61
Obligated CDBG DR Funds	\$850,000.00	\$1,050,000.00
Expended CDBG DR Funds	\$0.00	\$104,216.56
Heart and Hands of Compassion	\$0.00	\$104,216.56
Match Contributed	\$0.00	\$0.00
Program Income Received	\$127,066.63	\$127,066.63
Program Income Drawdown	\$17,644.97	\$17,644.97

Activity Description:

HHC is one of three developers selected to acquire and rehabilitate abandoned and vacant foreclosed homes in the NSP target areas. HHC will identify homes, negotiate purchases from foreclosing entities (typically banks) for a price that is at least 1% below the market value. HHC will determine scope of work (including green building and energy efficient elements) and rehabilitation budget. County building inspector will confirm scope of work addresses all health and safety, and building code items. County building inspector will also confirm that the budget is reasonable for the scope of work. HHC will market the home to LMMI homebuyers. HHC may sell at least one home to a middle income homebuyer. Marketing will include availability of NSP downpayment assistance. Homebuyers will provide documentation to confirm income eligibility and intent to occupy the home as a primary residence.

Homebuyers will be required to sign a shared appreciation promissory note unless they are buying the house at market value and with no NSP assistance. Homes in all NSP target areas with the exception of Oakley can be presumed affordable consistent with 24 CFR 92.254(a)(5)(i)(B). An analysis conducted in June 2009 pursuant to the referenced regulations demonstrated that homes will remain affordable to the target income group over time. The home ownership rates in the target areas is lower than in the rest of the County. The homes are smaller and older than in other areas. In the High Priority Areas, resale restrictions are a deterrent to buyers who are able to purchase a home without restrictions. Therefore, shared appreciation loans are a more practical approach. This activity will target properties that can be purchased and rehabilitated for under \$250,000.

Location Description:

NSP target areas of Bay Point, Oakley, Rodeo, North Richmond, San Pablo, Montalvin Manor

Activity Progress Narrative:

HHC purchased 3 homes in the last quarter. It completed the rehabilitation of 2 homes. HHC sold Hanlon Way, Bay Point to a middle income buyer.

Performance Measures

	This Report Period			Cumulative Actual Total / Expected		
	Low	Mod	Total	Low	Mod	Total
# of Properties	0	0	0	0/0	0/0	2/5

# of housing units	0	0	3	0/0	0/0	5/5
# of Households benefitting	0	0	0	0/0	0/4	0/5

Activity Locations

Address	City	State	Zip
1391 Gamay Circle	Oakley	NA	94561
2435 Clare Street	San Pablo	NA	94806
541 Mockingbird	Oakley	NA	94561

Other Funding Sources Budgeted - Detail

No Other Match Funding Sources Found

Other Funding Sources	Amount
No Other Funding Sources Found	
Total Other Funding Sources	

Grantee Activity Number: Homebricks/BRIDGE

Activity Title: Homebricks/BRIDGE

Activity Category:

Rehabilitation/reconstruction of residential structures

Activity Status:

Under Way

Project Number:

1

Project Title:

Revolving Fund for Purchase and Rehabilitation

Projected Start Date:

11/01/2009

Projected End Date:

06/30/2013

National Objective:

NSP Only - LMMI

Responsible Organization:

Homebricks/BRIDGE Housing

Overall

Jan 1 thru Mar 31, 2010

To Date

Total Projected Budget from All Sources	N/A	\$1,150,000.00
Total CDBG Program Funds Budgeted	N/A	\$900,000.00
Program Funds Drawdown	\$122,804.64	\$122,804.64
Obligated CDBG DR Funds	\$250,000.00	\$250,000.00
Expended CDBG DR Funds	\$0.00	\$0.00
Homebricks/BRIDGE Housing	\$0.00	\$0.00
Match Contributed	\$0.00	\$0.00
Program Income Received	\$0.00	\$0.00
Program Income Drawdown	\$0.00	\$0.00

Activity Description:

Purchase, rehabilitation, and sale of vacant foreclosed single family homes.

Location Description:

Homebricks will work in high priority NSP target areas in the western portion of the County. Primarily San Pablo, Rollingwood, and Montalven Manor/Tara Hills

Activity Progress Narrative:

HomebricksNSP purchase one home and entered into a purchase agreement for a second home.

Performance Measures

	This Report Period			Cumulative Actual Total / Expected		
	Low	Mod	Total	Low	Mod	Total
# of Properties	0	0	0	0/0	0/0	0/3
# of housing units	0	0	1	0/0	0/0	1/3

Activity Locations

Address	City	State	Zip
2639 Merrit Avenue	San Pablo	NA	94806

Other Funding Sources Budgeted - Detail

No Other Match Funding Sources Found

Other Funding Sources	Amount
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Neighborhood Stabilization Program	\$250,000.00
Total Other Funding Sources	\$250,000.00

Grantee Activity Number:	Parkway Housing/CHDC
Activity Title:	Community Housing Development Corp N Richmond

Activity Category: Rehabilitation/reconstruction of residential structures	Activity Status: Under Way
Project Number: 1	Project Title: Revolving Fund for Purchase and Rehabilitation
Projected Start Date: 03/02/2009	Projected End Date: 06/30/2013
National Objective: NSP Only - LMMI	Responsible Organization: Community Housing Development Corp NR

Overall	Jan 1 thru Mar 31, 2010	To Date
Total Projected Budget from All Sources	N/A	\$900,000.00
Total CDBG Program Funds Budgeted	N/A	\$900,000.00
Program Funds Drawdown	\$178,540.10	\$260,870.20
Obligated CDBG DR Funds	\$407,000.00	\$607,000.00
Expended CDBG DR Funds	\$0.00	\$0.00
Community Housing Development Corp NR	\$0.00	\$0.00
Match Contributed	\$0.00	\$0.00
Program Income Received	\$0.00	\$0.00
Program Income Drawdown	\$0.00	\$0.00

Activity Description:

CHDC will identify abandoned, and vacant foreclosed properties and negotiate with sellers (typically banks) for a purchase price that is at least one percent below the appraised market value. CHDC will develop a scope of work and rehabilitation budget that will be reviewed and approved by a County building inspector. The County building inspector will also confirm that the scope of work address all health and safety and code violations. The first priority is for the homes to be sold to LMMI households. One of the four proposed homes may be sold to a middle income purchaser. If purchase ready buyers can not be identified, the homes may be made available for lease to purchase or rental. The homes will be sold for an amount equal to or less than the total amount of funds used to acquire and rehabilitate the home. Homebuyers will be required to sign a shared appreciation promissory note unless they are buying the house at market value and with no NSP assistance. Homes in North Richmond can be presumed affordable consistent with 24 CFR 92.254(a)(5)(i)(B). An analysis conducted pursuant to the referenced regulations demonstrated that homes in North Richmond will remain affordable to the target income group over time. The home ownership rate is lower than in the rest of the County. The homes are smaller and older than in other areas. In the High Priority Areas, resale restrictions are a deterrent to buyers who are able to purchase a home without restrictions. Therefore, shared appreciation loans are a more practical approach. This activity will target properties that can be purchased and rehabilitated for under \$250,000. Appraisals shall be consistent with the appraisal requirements of the Uniform Relocation Act.

Location Description:

High Priority Areas: Bay Point, Oakley, Montalvin Manor/Tara Hills/Bayview, Rollingwood, North Richmond, Rodeo and San Pablo with an emphasis on North Richmond

Activity Progress Narrative:

CHDC assigned its NSP program agreement to an affiliate, Parkway Housing, Inc. CHDC entered into 2 purchase agreements. Closings were delayed from March to early April

Performance Measures

	This Report Period			Cumulative Actual Total / Expected		
	Low	Mod	Total	Low	Mod	Total
# of Properties	0	0	0	0/0	0/0	1/4
# of housing units	0	0	2	0/0	0/0	3/4
# of Households benefitting	0	0	0	0/0	0/3	0/4

Activity Locations

Address	City	State	Zip
1709 3rd Street	North Richmond	NA	94801
1822 3rd Street	North Richmond	NA	94801

Other Funding Sources Budgeted - Detail

No Other Match Funding Sources Found

Other Funding Sources	Amount
No Other Funding Sources Found	
Total Other Funding Sources	
